

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 04783 171839Z

43

ACTION AF-18

INFO OCT-01 EUR-25 EA-11 IO-14 ISO-00 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01

PRS-01 SP-03 SS-20 USIA-15 PPT-02 VO-03 SCA-01 DRC-01

/150 W

----- 096145

P R 171824Z APR 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 9618

INFO AMEMBASSY BONN

AMEMBASSY BERN

AMEMBASSY PRETORIA

AMEMBASSY TOKYO

AMEMBASSY VIENNA

USMISSION USUN NEW YORK

LIMITED OFFICIAL USE LONDON 04783

E.O. 11652: N/A

TAGS: EFIN, RH, UN, PFOR

SUBJECT: RHODESIAN SANCTIONS BUSTING

BEGIN SUMMARY: "SUNDAY TIMES" OF APRIL 14 CARRIES
FEATURE STORY DESCRIBING WHAT APPEARS TO HAVE BEEN A
MAJOR INTERNATIONAL EFFORT TO EVADE UN RHODESIAN
SANCTIONS. US, AUSTRIAN, GERMAN AND SWISS FIRMS WERE
INVOLVED. FCO CONSIDERS DOCUMENTS ON WHICH ST STORY WAS
BASED TO BE GENUINE AND HAS TRANSMITTED THEM TO UK
EMBASSIES IN COUNTRIES CONCERNED FOR APPROPRIATE FOLLOW-
UP ACTION. END SUMMARY.

/

1. SUNDAY TIMES STORY WAS BASED ON DOCUMENTS OBTAINED
BY BRITISH SUBJECT KENNETH MCINTOSH WHO HAD BEEN
EMPLOYED BY A RHODESIAN MERCHANT BANK (NEFIERHO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 04783 171839Z

ACCEPTANCE LIMITED). ACCORDING TO ST, MCINTOSH HAD

BEEN ARRESTED IN MALAWI IN MARCH AND WAS ILLEGALLY DEPORTED TO RHODESIA WHERE HE WAS SUBSEQUENTLY TRIED AND SENTENCED ON CHARGES OF PLANNING TO EXPORT DOCUMENTS THAT COULD ENDANGER RHODESIAN ECONOMY. MCINTOSH HAD APPARENTLY SENT DOCUMENTS DETAILING SANCTION VIOLATION TO A RELATIVE IN BRITAIN FOR SAFEKEEPING AS A KIND OF INSURANCE SHOULD HE BE CHARGED WITH PERSONAL INVOLVEMENT. AFTER HIS ARREST THEY WERE PASSED TO ST WHOSE REPORTERS CHECKED OUT WHAT LOOKS LIKE A PRETTY SENSATIONAL STORY.

2. ST STORY DETAILS INVOLVEMENT OF FOREIGN FIRMS IN A SCHEME TO FINANCE A MAJOR EXPANSION OF RHODESIAN STEEL INDUSTRY, THE FOREIGN FIRMS TO PROVIDE FINANCING AND PLANT IN RETURN FOR RHODESIAN STEEL PRODUCTION. FOREIGN FIRMS NAMED ARE AUSTRIAN (NATIONAL STEEL COMPANY) FOEST; EUROPEAN AMERICAN FINANCE (BERMUDA) LIMITED, AN OFFSHORE SUBSIDIARY OF EUROPEAN AMERICAN BANK WHICH IS REPORTEDLY A NEW YORK BANK JOINTLY OWNED BY SIX EUROPEAN BANKS (INCLUDING BRITAIN'S MIDLAND BANK); EUROPEAN BANKS INTERNATIONAL, ANOTHER, BRUSSELS BASED, SUBSIDIARY OF EUROPEAN AMERICAN BANKING; AND HANDELSGESELLSCHAFT, BASED IN ZURICH. SEVERAL OTHER FIRMS ARE ALSO MENTIONED, THOUGH THEIR INVOLVEMENT DOES NOT APPEAR PROVED. AS MUCH AS TWENTY-FOUR MILLION POUNDS MAY HAVE BEEN INVOLVED, INCLUDING TWELVE MILLION POUND LOAN FROM EUROPEAN-AMERICAN BANK.

3. ST SAYS THEIR INVESTIGATIVE REPORTERS CHECKED ACCURACY OF MCINTOSH'S DOCUMENTS WITH VARYING DEGREES OF RESPONSIVENESS FROM COMPANIES INVOLVED. THEY REPT THAT THE AMERICAN-BASED EA BANK INFORMED THE ST LAST WEEK THAT IT HAD WITHDRAWN ITS TWELVE MILLION POUND LOAN TO A SWISS COMPANY WHICH WAS USED TO FRONT PROJECT. IT APPEARS THAT RHODESIA WILL HAVE TO FOOT COSTS OF DAMAGES, AS CONTRACTS CONTAINED WHAT IN EFFECT WERE POLITICAL RISK CLAUSES FOR COMPANIES INVOLVED.

4. ADDING DRAMA TO AN ALREADY EXTRAORDINARY STORY WAS AN EFFORT BY RHODESIANS TO STOP ST PUBLICATION OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 04783 171839Z

DOCUMENTS IN RETURN FOR AN OFFER TO REMIT PART OF MCINTOSH'S 5-YEAR SENTENCE. ST REFUSED THE OFFER.

5. FCO CONSIDERS ST STORY TO BE ACCURATE AND SUPPORTING DOCUMENTS TO BE GENUINE. IT IS FORWARDING THEM TO UKUN AND UK EMBASSIES IN COUNTRIES INVOLVED FOR APPROPRIATE FOLLOW-UP ACTION.

6. COPY OF ST STORY BEING POUCHED.

ANNENBERG

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, ARRESTS, EMBARGOES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: blochd0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LONDON04783
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740089-0093
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740437/aaaabgti.tel
Line Count: 118
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: blochd0
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUN 2005
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20-Jul-2001 by reddocgw>; APPROVED <07 MAY 2002 by golinofr>; WITHDRAWN <13 Jun 2005 by BoyleJA, PRIVACY>; RELEASED <15 JUN 2005 by powellba2>; APPROVED <17 JUN 2005 by blochd0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: RHODESIAN SANCTIONS BUSTING BEGIN SUMMARY: "SUNDAY TIMES" OF APRIL 14 CARRIES
TAGS: EFIN, PFOR, RH, AU, GE, SZ, UK, UN, (MCINTOSH, KENNETH)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005